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FM AMEMBASSY RANGOON

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INFO AMCONSUL HONG KONG

AMEMBASSY KUALA LUMPUR

CINCPAC HI

DEA BANGKOK UNN

AMEMBASSY BANGKOK UNN

AMCONSUL CHIANG MAI UNN

AMEMBASSY KATHMANDU UNN

AMCONSUL MANDALAY UNN

AMEMBASSY MOSCOW UNN

AMEMBASSY NEW DELHI UNN

USLO PEKING UNN

AMCONSUL UDORN UNN

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E.O. 11652: GDS TAGS: PINT PFOR BM SUBJ: JOINT WEEKA #8

1. SOVIET ENVOY HOLDS NEWS CONFERENCE (CONFIDENTIAL)

SOVIET AMBASSADOR ELIZAVETIN HELD NEWS CONFERENCE FEBRUARY 24
OSTENSIBLY TO PUBLICIZE CONVENING OF THE 25TH COMMUNIST PARTY
CONGRESS IN MOSCOW. ELIZAVETIN OUTLINED CONGRESS AGENDA AND THEN
CITED PROGRESS IN DEVELOPMENT OF USSR/GUB RELATIONS. SPECIFICALLY,
HE NOTED INCREASE IN CULTURAL TIES IN RECENT YEARS AND CLOSER
RELATIONS BETWEEN AND BSPP AND SOVIET COMMUNIST PARTY, CITING
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EXCHANGE OF PARTY DELEGATIONS IN 1974 AND 1975 AS EXAMPLE. COMMENT:

EVENT IS UNUSUAL SINCE AMBASSADORS DO NOT NORMALLY HOLD PRESS CONFERENCES IN BURMA. REFERENCE TO PARTY-TO-PARTY TIES PROBABLY DESIGNED TO HIGHLIGHT PRC'S REFUSAL TO OPEN A SIMILAR POLITICAL RELATIONSHIP DURING NE WIN'S VISIT TO CHINA. PRESS CONFERENCE MAY HAVE BEEN USED TO MARK BEGINNING OF NEW SOVIET "OFFENSIVE" HERE DESIGNED TO OFFSET CLOSER GU-PRC TIES FOLLOWING LAST YEAR'S STATE VISIT TO PEKING AND GUB ENDORSEMENT OF PRC "ANGI-HEGEMONY" THESIS.

2. LAOTIAN PREMIER MAKES BRIEF VISIT TO RANGOON (LIMITED OFFICIAL USE)

LAOTIAN PRIME MINISTER KAYSONE PHOMVIHANE LANDED AT MINGALADON AIRPORT RANGOON FEBRUARY 21 FOR ONE HOUR STOP ENROUTE TO MOSCOW. HE WAS GREETED AT THE AIRPORT BY PRIME MINISTER U SEIN WIN AS WELL AS SOVIET, YUGOSLAV AND DRV ENVOYS. NO ANNOUNCEMENT WAS MADE OF WHAT, IF ANYTHING, OF SUBSTANCE WAS DISCUSSED ALTHOUGH IT IS POSSIBLE THAT THE TWO LEADERS TOUCHED ON QUESTION OF BCP ACTIVITIES NEAR LAOTIAN BORDER.

3. NE WIN ON THE PEARL CIRCUIT (UNCLASSIFIED)

ACCOMPANIED BY COUNCIL OF STATE MEMBER KYAW WIN, MINISTER OF AGRICULTURE YE GOUNG AND NAVY VICE-CHIEF OF STATE CHIT HLAING, PRESIDENT NE WIN VISITED THE PEARL CULTURE STATIONS AROUND MERGUI FEBRUARY 21-24. HE ALSO TOURED SOME OF THE COASTAL AREAS BY GUNBOAT. COMMENT: VISIT TO BURMA' CULTURED PEARL INDUSTRY FOLLOWS RECENT GEM EMPORIUM WHERE PEARLS ATTRACTED PARTICULAR ATTENTION FROM JAPANESE BUYERS.

4. NE WIN'S ANTI-CORRUPTION CAMPAIGN (LIMITED OFFICIAL USE)

IN WAKE OF DETENTION OF PRESIDENT NE WIN'S SISTER-IN-LAW DAW HTA HTA MYINT FOR BLACKMARKETING TEXTILES (WEEKA 5, ITEM 3), NE WIN REPORTEDLY CALLED IN TOP CABINET MINISTERS AND THEIR WIVES AND LECTURED THEM ON EVILS OF RECHANNELING GOODS FROM GOVERNMENT SOURCES TO THE BLACKMARKET. HE APPARENTLY REFERRED SPECIFICALLY TO WIVES ENGAGED IN THIS TRADE; BSPP GENERAL SECRETARY SAN YU'S WIFE IS ONE OF THOSE WIDELY RUMORED TO BE INVOLVED IN THIS LUCRATIVE BUSINESS. HOW FAR NE WIN CAN PUSH THIS CAMPAIGN WITHOUT CAUSING POLITICAL (OR AT LEAST HOUSEHOLD) REPERCUSSIONS REMAINS TO BE SEEN. CONFIDENTIAL

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IN THE MEANTIME, THE TRIAL OF DAW HTA HTA MYINT CONTINUES WITH FULL PUBLICITY.

5. DR MAUNG SHEIN APPOINTED DEPUTY MINISTER FOR PLANNING AND FINANCE (UNCLASSIFIED)

DR. MAUNG SHEIN WHO FORMERLY SERVED WITH THE IMF IN WASHINGTON HAS BEEN APPOINTED DEPUTY MINISTER FOR PLANNING AND FINANCE AS OF

FEBRUARY 20. HE REPLACED U CHIT MAUNG WHO WAS NAMED BURMA'S AMBASSADOR TO FRG LAST YEAR. COMMENT: (LIMITED OFFICIAL USE): A FORMER IMF COLLEAGUE OF DR. MAUNG SHEIN RECENTLY VISITED BURMA AND NOTED THAT MAUNG SHEIN WAS HELD IN RATHER LOW REGARD BY MOST IMF STAFF MEMBERS. "HE NEVER HAD AN ORIGINAL THOUGHT." THE NEW APPOINTEE SHOULD GET ON WELL WITH THE GUB BUREAUCRACY.

6. ATTACHE TOUR OVER THE PEGU YOMA (UNCLASSIFIED)

THE MINISTRY OF DEFENSE CONDUCTED A THREE DAY TOUR, 17 THRU 19 FEBRUARY FOR THE LOCAL MILITARY ATTACHE CORPS, THE HIGHLIGHT OF WHICH WAS THE CROSSING OF THE PEGU YOMA (HILLS). THE PEGU YOMA IS A GROUP OF YOUNG HILLS EXTENDING NORTH OF RANGOON SOME 200 - 300 MILES THAT WAS USED BY THE BCP FOR YEARS AS A FORTRESS RETREAT BECAUSE OF ITS HEAVY JUNGLE COVER. THE NEW ROAD, BEING CONSTRUCTED BY ONE BURMA ARMY ENGINEER COMPANY, AND 1500 CIVILIAN PRISONERS, EXTENDS BASICALLY EAST-WEST FROM TAUNGOO (1856N-9626E) TO PROME (1849N-9513E) AND, IN ADDITION TO ITS MILITARY VALUE, WILL BE USED PRIMARILY TO EXTRACT TEAK, OF WHICH THERE IS AN ABUNDANT SUPPLY. OSBORN

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7. GEM EMPORIUM CLOSES (UNCLASSIFIED)

BURMA'S TWELFTH ANNUAL GEMS, JADE AND PEARL EMPORIUM CLOSED FEB 20 AFTER RECORDING TOTAL SALES OF \$3,835,758 MORE THAN \$1.7 MILLION ABOVE LAST YEAR'S EARNINGS. PEARLS ACCOUNTED FOR THE LARGEST SHARE OF SALES WITH RECORD RECEIPTS OF \$2,106,549. JADE AND GEM EARNINGS INCREASED FROM LAST YEAR WITH SALES OF \$1,335,430 AND \$271,590 RESPECTIVELY. SALES OF JADE CARVINGS EARNED \$32,088 AND JEWELRY ACCOUNTED FOR \$90,101. COMMENT: HIGHER RECEIPTS THIS YEAR COME AS WELCOME ADDITION TO BURMA'S MEAGER FOREIGN EXCHANGE EARNINGS, BUT RECEIPTS STILL BELOW THE \$4.4 MILLION EMPORIUM EARNED TWO YEARS AGO. GEM SALES (BURMA'S FAMED RUBIES AND SAPPHIRES) CONTINUED TO CONFIDENTIAL

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DECREASE IN IMPORTANCE, E.G., 7 PERCENT OF TOTAL SALES THIS YEAR VS 10 PERCENT A YEAR AGO. THIS IS CAUSE OF CONCERN FOR GUB AND PERHAPS MAJOR REASON BEHIND RECENT EFFORTS TO ELIMINATE CORRUPTION AND SMUGGLING AT GEM MINES IN MOGOK (WEEKA #5, ITEM 6).

8. PETROLEUM NOTES (LIMITED OFFICIAL USE)

MYANMA OIL CORPORATION (MOC) STRUCK OIL WHILE DRILLING FOR NATURAL GAS NEAR PYALO ABOUT 20 MILES NORTH OF PROME. FIND HAS NOT YET BEEN EVALUATED BUT BELIEVED VERY SMALL. PRESENT ROUGHT ESTIMATE IS THAT FIELD COULD PRODUCE ABOUT 1200 BBL PER DAY. TOTAL, FRENCH PETROLEUM FIRM, STRUCK NATURAL GAS WHILE DRILLING FOR OIL IN ITS CONCESSION IN BAY OF BENGAL NEAR SANDOWAY. FIND MIGHT HAVE BEEN COMMERCIAL IF LOCATED ON SHORE OTHER THAN OFFSHORE BURMA. WELL HAS BEEN CAPPED.

9. SUGARCANE (UNCLASSIFIED)

SOWN ACREAGE OF SUGARCANE IN BURMA FOR 1975-76 ESTIMATED AT 1,285,000 ACRES. AS OF FEBRUARY 23 GOVERNMENT BUYING CENTERS HAD COLLECTED ONLY 20,000 TONS OF CANE TO SUPPLY BURMA'S SIX SUGAR MILLS WHICH HAVE COMBINED MILLING CAPACITY OF 120,000 TONS OF REFINED SUGAR PER YEAR. THIS YEAR GUB HOPES TO PRODUCE 76,000 TONS REFINED SUGAR WHICH WILL REQUIRE ABOUT 800,000 TONS OF CANE. CRUSHING SEASON IN BURMA RUNS FROM NOVEMBER TO MAY. PRESS REPORTS STATE LARGE STOCKS OF SUGARCANE ACCUMULATING AND DETERIORATING AT RAIL DEPOTS DUE LACK OF TRANSPORT. THUS, GUB HAS TEMPORARILY SUSPENDED FURTHER PURCHASES OF SUGARCANE.

10. NARCOTICS (LIMITED OFFICIAL USE)

SEIZURES AND DISRUPTIONS. FIVE OFFENDERS WERE ARRESTED AND APPROXIMATELY 30,000 KYAT WORTH OF OPIUM AND HEROIN WERE SEIZED IN THREE SEPARATE ACTIONS. ALSO, 54 ACRES OF POPPY WERE UPROOTED IN AREAS NORTHWEST OF LOIKAW DURING THE PAST WEEK. COMMENT: (LIMITED OFFICIAL USE) BRIGADIER KYAW HTIN MENTIONED TO DEFATT THAT REACTION OF CULTIVATORS IN SOUTHERN SHAN STATE WAS ONE OF ANGER AND RESENTMENT AGAINST GUB FOR DESTROYING THEIR CASH CROP; WE HAVE HEARD SIMILAR COMMENTS FROM TOP POLICE OFFICIALS ENGAGED IN THIS CAMPAIGN AS WELL, ALTHOUGH THEY DO NOT SEEM UNDULY CONCERNED ABOUT THIS REACTION.

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11. POLITICS OF HEROIN PUBLISHED (LIMITED OFFICIAL USE)

A BURMESE LANGUAGE PAPERBACK EDITION OF MCCOY'S POLITICS OF HEROIN IN SOUTHEAST ASIA WAS PUBLISHED AFTER AN ADVERTISING CAMPAIGN FOR THE PAST SEVERAL WEEKS IN BURMESE LANGUAGE NEWSPAPERS. THE TITLE, PUBLISHED IN A SPECIAL, LARGE EDITION OF 4,000 COPIES (NORMAL EDITIONS RUN ONLY 2,000 TO 3,000) WAS TRANSLATED BY U TIN MAUNG YIN, A LECTURER IN BURMESE LANGUAGE AT THE DEFENSE SERVICES ACADEMY WITH NO APPARENT INTEREST OR CONNECTION WITH GUB ANTI-NARCOTICS ACTIVITIES. THE 367 PAGE BOOK, AT AN EXPENSIVE 15 KYATS, WAS NOT SUBMITTED TO HOME MINISTRY'S PRESS INTELLIGENCE OFFICE PRIOR TO TRANSLATION AS REQUIRED FOR PERMISSION TO PUBLISH THE TITLE, PRESS INTELLIGENCE, CONSEQUENTLY, DID NOT APPROVE THE BOOK UNTIL AFTER PUBLICATION, SAYING THAT THEY HAD KNOWLEDGE THE BOOK WAS COMING OUT WITH "OFFICIAL APPROVAL." THE COVER, ILLUSTRATIONS, AND OF COURSE, TEXT, CLAIM CIA INVOLVEMENT IN DRUG TRAFFICKING IN SE ASIA. COMMENT: (LIMITED OFFICIAL USE): GUB OFFICIALS HAVE SHOWN GREAT INTEREST IN DISSEMINATION OF NARCOTICS INFORMATION. AFTER RECENTLY SEEING A BBC FILM ON THE GOLDEN TRIANGLE, EDITORS AND WRITERS WERE INSTRUCTED TO PREPARE ARTICLES ON NARCOTICS. IN THE CASE OF POLITICS OF HEROIN, THE BOOK IS SAID TO HAVE CAUGHT THE ATTENTION OF TOP GUB LEADERS WHO SAID IT WAS A GOOD BOOK AND WANTED IT TRANSLATED.

12. CRACKDOWN ON NAT PWES (UNCLASSIFIED)

AFTER THE RANGOON PEOPLE'S COUNCIL EXECUTIVE COMMITTEE RECENTLY PLACED RESTRICTIONS ON ANIMISTIC CELEBRATIONS, OR NAT PWES, THE GUARDIAN EDITORIALIZED THAT ALTHOUGH NATS HAVE BEEN WORSHIPPED FROM TIME IMMEMORIAL AND THAT THE CONSTITUTION GUARANTEES FREEDOM OF RELIGION, THE PWES ARE OFTEN NOISY AND LAST FAR BEYOND REASONABLE HOURS.

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